IN THE

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1958.

No. 736.

BRIGHT LEAF INDUSTRIES, INC.,
Petitioner,

vs.

E. VERNON STABLER, J. G. HENDRICK, and W. C. GATES, Individually; COLO-RITE MANUFACTURING COMPANY, INC., a Corporation; and GREENVILLE BUTANE GAS COMPANY, INC., a Corporation, Separately and Severally,
Respondents.

PETITION FOR REHEARING OF ORDER DENYING WRIT OF CERTIORARI

To the United States Court of Appeals for the Fifth Circuit.

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St. Louis Law Printing Co., Inc., 415 N. Eighth Street. CEntral 1-4477

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INTRODUCTION.

Petitioner, Bright Leaf Industries, Inc., respectfully prays for a rehearing of the Order of this Court denying certiorari to review the judgment of the United States Court of Appeals for the Fifth Circuit reversing a final judgment of the United States District Court for the Middle District of Alabama, wherein originally the petitioner was plaintiff and the respondents were defendants.

INTERVENING CIRCUMSTANCE.

This petition for rehearing is based on an intervening circumstance of substantial effect, such as were presented in **Sanitary Refrigerator Co. v. Winters**, 280 U. S. 30, 34, footnote 1, 50 S. Ct. 9, 10, and **Massey v. United States**, 291 U. S. 608, 54 S. Ct. 532, cases in which this Court chose to grant the petition for rehearing.

The petition for writ of certiorari in this case was docketed in this Court on February 28, 1959, following which the petition was denied on April 6, 1959. In the intervening period, an article of substantial import relating to the judgment of the Court of Appeals for the Fifth Circuit, reported at 261 F. 2d 383, which this Court is requested to review was published in the March, 1959, issue of the "Journal of the Patent Office Society."[1] The author of this article, Malcolm F. Bailey, is a member of the Board of Appeals of the United States Patent Office—a person well qualified to speak on the subject of Patent Law because of his long experience in this field. Bailey is an independent commentator having no connection with either petitioner or respondents, and thus his article expresses a completely unbiased viewpoint.

This article clearly shows the following:

1. The judicial confusion with respect to 'invention' and the need for this Court to clarify the effect of Section 103 of the Patent Act of 1952.

2. That the opinion of the Court of Appeals for the Fifth Circuit in this case is clearly erroneous on its face.

The comments in this article are so revealing as to the confusion between the various Circuit Courts of Appeals

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[1] Bailey, "A Proposal for A Standard of Patentability; Consonant Statutory Changes; A Manual on Determination of Patentability," 41 J. Pat. Off. Soc'y 192-225 (1959).

in interpreting the decision of this Court in **Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Corp.**, 340 U. S. 147 (1950), that a sound basis for granting of this petition for rehearing is firmly established. Because of the importance of this article in confirming petitioner's contention that the judgment of the Court of Appeals for the Fifth Circuit has so far departed from the accepted and usual course of judicial proceedings as to call for an exercise of the Supreme Court's power of supervision, it will be quoted extensively. Thus, on pages 212-213, Bailey observes:

"20. Premise 2: Novel contributions must be defined INVARIABLY as an assembly of old elements.

It is immaterial, in what field of knowledge newness is considered, e. g. whether in the field of the useful arts, pure science, applied science, economics, etc., or whether the description is a patent claim or other description or definition. My second premise is:

That Which is New can be Described and Defined only

in Terms of Old Elements and the Way That They are Assembled (i. e. the relation thereamongst) Which Causes the Whole to be New.

This premise has been, at least in part, recognized as is shown by the decision **Safety Car Heating and Lighting Co. v. Gen'l Electric Company**, 155 F. (2d) 937 (939); 69 USPQ 401 (402), where Justice L. Hand stated: (Emphasis added.)

"**Substantially all inventions are for the combination of old elements**; what counts is their selection, out of all their possible permutations, of that new combination which will be serviceable. No objective standard is practicable: . . . (citations) as, for example, whether each of the elements operates in a different way from

what it did in other combinations. That is almost never true of a machine; each member ordinarily performs the same mechanical function which it does in any other machine; it is their cooperation that produces the result, and the value of that cooperation depends upon the sagacity which divined the end and fabricated the means."

This second premise is a fundamental of definition and description. To be meaningful each element must be known to the hearer or reader. That which is new cannot be described or defined in new terms (in terms of itself) since such would be meaningless to the recipient of the description or definition. Every patent ever granted under our patent laws has been described in the specification and defined in the claims by terms that designate old elements, and their assembly (the relation thereamongst) that causes the whole to be new."

The author then proceeds to corroborate statements made by the petitioner in the original petition for writ of certiorari on pages 24 and 27 thereof relative to the rampant confusion existing in the Federal Courts throughout the United States in applying Section 103 of Title 35, United States Code, statements which were facetiously denied by respondents,[2] by showing how various Courts of Appeals have applied this Court's decision in **Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Corp.**, 340 U. S. 147 (1950), against patents.

The following statement was made in the opinion of the court in the **Great Atlantic and Pacific Tea Co.**

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[2] Brief of Respondents in Opposition to Petition for Writ of Certiorari, page 7, lines 1-7, "To summarize, there is no disagreement rampant except in the eyes of the Petitioner . . . and there is no confusion as to the clear and explicit meaning of Section 103 of the Patent Act of 1952 except in the brief of the Petitioner."

v. Supermarket Equipment Corp., 340 U. S. 147; 1951 C. D. 572; 642 O. G. 87 USPQ 303 (306),

'Courts should scrutinize combination patent claims with a care proportioned to the difficulty and improbability of finding invention in an assembly of old elements.' /I note that 'invention' .should be in quotes/

This language appears to mean that, if a patent claim recites only elements that are individually old and the way that they are assembled, the claim is probably invalid.

Such a meaning is clearly inconsistent with the only possible way to describe and define that which is new as I pointed out in the preceding section.

However, many courts have accepted this language as meaning that which it appears to say. On the basis of this language they have accepted as a defense a showing, through the medium of numerous patents or other publications, that each claim element is separately old. They quote the above language (which language by its terms is a presumption of invalidity) and hold lack of 'invention'. If such language is followed and applied, every patent ever granted or to be granted in the future under our laws would have to be looked at with a care proportioned to the difficulty and improbability of finding 'invention' in an assembly of old elements, i. e., will have to be presumed to be invalid, since everything that has ever been patented or ever will be patented and every other bit of new knowledge that ever will be set forth in the future in any field will be described and defined in terms of an assembly of old elements, i. e., in terms of old elements and the relation thereamongst that involves the newness that is being presented."

The article continues by discussing the judgment of the District Court and the Court of Appeals for the Fifth Circuit, which latter judgment petitioner seeks to have reviewed by this Court.

"In **Bright Leaf Ind. v. Stabler**, 116 USPQ 559 (565, 1st col.), after pointing out that patentee was the first to assemble old elements to form a tobacco curing system providing advantages also pointed out, the court stated:

'This Court further concludes that the patent in suit meets the standards of invention as set up for determining validity in paragraph 103 of the Patent Act of 1952, and **that the** . . . (A and P case) **cannot be used by these defendants as a 'sanctuary'**'. (Emphasis added.)

However, upon appeal to the circuit court, 'Sanctuary' was granted. In **Stabler et al. v. Bright Leaf Industries, Inc.**, 119 USPQ 362, the circuit court stated:

'Tobacco curing is an old art. Although the methods of curing have differed, the theory of curing has never changed. Curing is predicated on the use of heat to dry the tobacco leaf. The system embodied in the Horne patent is no different. Prior curers, however, had many disadvantages. Some required too much heat in curing. This caused uneven curing. In some cases, the introduction of products of combustion resulted in contamination of the leaf. It was difficult to control the temperature in the units and the barn. The use of oil fuel created unwanted odors, and soot. It created a fire hazard if the flame was open. Low air movement caused excessive and uneven curing. In the main, the difficulty was to find a clean fuel and a way to control the heat so as to get even curing of the leaf. **The art evidences numerous attempts to**

overcome the disadvantages, to construct a curing system that would solve these problems. Horne did it. The use of liquid petroleum gas offered a clean odorless fuel, a fine curing atmosphere. The plurality of gas burners gave increased heat volume and even heat distribution, while the use of the thermostatic device provided a means for evenly controlling the temperature in the barn.

All of the individual elements of the Horne patent are admittedly old. They were known and used for years in one form or another. Gas fuel was available, but not used successfully. The plaintiff claims invention lies in the combination of the elements. The meat of the patent is the use of liquid petroleum gas with the gas burners, controlled by the use of a thermostat. **Its commercial success is beyond doubt. Better curing was achieved. The problems of the industry were answered.** It appears that the plaintiff is one of the largest manufacturers of gas-fired tobacco curing systems today.

The individual defendants, E. Vernon Stabler, Mrs. Stabler, Hendrick and Gates, are owners of the defendant corporations, Greenville Butane Gas Co. and Colo-Rite Manufacturing Co. **After obtaining information and literature on the plaintiff's curer, they began to manufacture their own curer which is substantially the same** * * *

The Horne patent is a combination patent. It is an improved system combining old elements of the art in such a manner **so as to give rise to better results.** The question in all such cases is whether the improved combination of old elements can be raised to the dignity of invention.' (Emphasis added.)

In the last line note that quotation marks should surround 'invention.'

From the preceding quotation it will be seen that the court freely concedes by clear and emphatic language that the constitutional requirement for progress was fully met, namely an unsolved art problem solved by the combination originated by the patentee, which combination gave better results and answered the problems of an industry.

The court then points out the flagrant copying by the infringer, and goes on to hold lack of 'invention,' because the novelty was 'obvious.'

The only source that made the novel combination 'obvious' was the patentee's disclosure. The infringer who coveted the novel combination because it solved an art problem whose solution was obvious to neither the infringer nor anyone else (other than the patentee) sought the sanctuary of infringers at first unsuccessfully and then successfully.

In my opinion, the decision of the circuit court is clearly wrong. Where the constitutional objective and every statutory requirement are completely met, the courts should hold patentability and validity and not the converse on the arbitrary and meaningless ground of lack of 'invention' because the coveted novelty is 'obvious to a person having ordinary skill in the art' (an allegation as arbitrary and meaningless, as the first, see Sections 27 through 36). The infringer normally considers himself an expert in the art and where the novel combination of old elements was not obvious to him (as evidenced by the fact that he would not have foregone the advantages and permitted the patentee to be first if such were the fact), I find an allegation of 'obviousness' singularly unpersuasive." (Emphasis added.)

The author of this article immediately recognized that on its face the opinion below is clearly erroneous. This

is a factor not to be lightly set aside by this Court without further inquiry. The author independently arrives at the same conclusion as that advanced by petitioner to the effect that the validity of a patent is established where the constitutional objective and every statutory requirement of invention are completely met, as in the present case.

Even respondents admit[3] that no findings of fact of the District Court were set aside by the Court of Appeals for the Fifth Circuit in rendering its decision. Moreover, respondents' assertion[4] that the presumption of validity provided for in Section 282, Title 35, United States Code, was shattered because the Patent Office failed to cite the most pertinent prior art is not in accord with the language contained in the opinion of the Court of Appeals for the Fifth Circuit, nor does it accord with respondents' admission that no findings of fact of the District Court were set aside. There is absolutely no mention of any prior art relied upon by respondents in the opinion of the Court of Appeals for the Fifth Circuit, the opinion expressing a purely personal impression as to what constitutes invention. In fact, one of the findings which was not overruled was:

> "This Court specifically finds that none of the prior art advanced by these defendants anticipates any of the claims of the patent in suit, no renders said claims devoid of their inventive character."[5]

The judgment of the Court of Appeals if allowed to stand by this Court condones the brazen theft by respond-

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[3] Brief of Respondents in Opposition to Petition for Writ of Certiorari, page 4, lines 17-18, "4. No findings of fact of the District Court were set aside."

[4] Brief of Respondents in Opposition to Petition for Writ of Certiorari, page 5, lines 13-16, inclusive, "5. The presumption of validity as provided for in Title 35, U. S. C., Section 282, was not disregarded. 'The presumption of validity had been shattered because the Patent Office failed to cite the most pertinent prior art."

[5] Original Petition for Writ of Certiorari, App. C, p. 49.

ents of the subject matter covered by petitioner's patent and encourages such wilful infringement of patents in the future. The equities involved in this case lie wholly with petitioner, and it is believed that the article upon which this petition for rehearing is based should be persuasive to this Court that great injustice will result if the judgment of the Court of Appeals for the Fifth Circuit is allowed to stand.

The patent in suit successfully passed the scrutiny of the Patent Office, and the trial court wherein the trial judge had the opportunity to judge the credibility of the opposing witnesses and equate the evidence. Furthermore, an author experienced in Patent Law and unacquainted with the parties to this suit unequivocably reaches the conclusion that the Court of Appeals for the Fifth Circuit made an erroneous judgment in declaring the patent in suit to be invalid.

In summation, several cogent reasons why this Court should review the judgment of the Court of Appeals for the Fifth Circuit exist, these reasons being among those enumerated in Rule 19 of the Supreme Court as factors influencing this Court to grant certiorari: The Court of Appeals for the Fifth Circuit has (a) decided an important question of federal law by interpreting the effect of Section 103, Title 35, United States Code, a question which has not been, but should be, settled by this Court, (b) decided a federal question in a way in conflict with applicable decisions of this Court by agreeing with the finding of fact of the District Court that the subject matter of the patent in suit was not obvious and yet holding invalidity, and (c) so far departed from the accepted and usual course of judicial proceedings as to call for an exercise of this Court's power of supervision. The published article upon which this petition for rehearing is based bears out petitioner on every point.

CONCLUSION.

For the foregoing reasons it is respectfully requested that this Court grant petitioner's plea for a rehearing in this matter.

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Certificate.

As counsel for petitioner, I hereby certify that the foregoing petition for rehearing of this Court's order denying certiorari is, in my opinion, well founded and is presented in good faith and not for delay. I also certify that the grounds for this petition are restricted to the conclusions expressed in the article published in 41 J. Pat. Off. Soc'y 192-225 (1959) at a time subsequent to the date on which the petition for writ of certiorari was docketed in this Court. This the ..... day of April, 1959.

.....
Paul B. Eaton.